

COUNTRY: Cuba

~~CONFIDENTIAL~~

SECURITY INFORMATION

28 AUG 53

25X1A2g

SUBJECT: Economic Conditions/Corruption Among Public Officials

25X1A9a

PLACE ACQUIRED: [REDACTED] 25X1A6a [REDACTED]

DATE ACQUIRED :

DATE OF INFO : 20 Aug 53

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SOURCE :

1. Our U.S. employees in Cuba report they have no fear for their personal safety but are sure present conditions can not continue long.
2. Batista is not the same forceful leader as during his first tenure of office and there is a serious uneasiness. Capital is being moved to the U.S. and buying is being confined to immediate needs. Our sales are below last year, and we do not expect them to improve.
3. The credit situation is especially bad and our sales force spend half their time in collection work. Despite this effort made to keep accounts current, the situation is the worst in Latin America and our year's operations will probably show a loss, the only country in the area that will do so.
4. In our plant, the workmen are uneasy and efficiency is declining. The labor laws do not permit our doing much about it. The workmen are not sure where they stand under Batista and he is steadily losing prestige with them.
5. Corruption among public officials is more open. We are renewing a contract with [REDACTED], one clause of which permits them to earn a bonus by good operating. The colonel in charge now insists such bonus in the future be paid in a lump sum, regardless of the company's performance. There is little attempt to conceal the fact that this is intended for his own cut.
6. It was estimated by our people, from observation, that only about 40% of the fares paid on public transportation vehicles ever reached the company. At present, the public transportation employees have a contract up for renewal. One clause of the contract would permit the company to install fare boxes, if they desire. The union declares this is a violation of the workmen's rights.
7. Our people expect a change but do not feel the change will offer much improvement.

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-END-

This unvaluated information for US Officials Only is supplied for the possible interest of your analysts. It does not warrant dissemination by [REDACTED] report.

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